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**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

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**P&N**

Postlethwaite & Netterville

A Professional Accounting Corporation

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**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

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**INDEPENDENT AUDITORS' REPORT**

Officers and Trustees  
Louisiana Municipal Advisory and Technical Services  
Bureau Corporation  
Baton Rouge, Louisiana

We have audited the accompanying financial statements of Louisiana Municipal Advisory and Technical Services Bureau Corporation (a wholly-owned subsidiary of Louisiana Municipal Association), which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of operations, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Postlethwaite & Netterville

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Municipal Advisory and Technical Services Bureau Corporation as of December 31, 2018 and 2017 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of Louisiana Municipal Advisory and Technical Services Bureau Corporation basic financial statements. The schedule of compensation, benefits and other payments to the Executive Director on page 22 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to the Executive Director is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to the Executive Director is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
June 24, 2019

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**BALANCE SHEETS**  
**DECEMBER 31, 2018 AND 2017**

**ASSETS**

	<u>2018</u>	<u>2017</u>
Assets:		
Cash and cash equivalents	\$ 574,957	\$ 652,038
Accounts receivable	14,748	52,054
Deferred tax asset	1,979	-
Recoverable income taxes	17,758	14,943
Fixed assets, net of accumulated depreciation of \$103,387 and \$73,754, respectively	<u>52,544</u>	<u>46,133</u>
Total assets	<u>\$ 661,986</u>	<u>\$ 765,168</u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

Liabilities:		
Accounts payable	<u>\$ 19,515</u>	<u>\$ 111,266</u>
Total liabilities	<u>19,515</u>	<u>111,266</u>
Stockholder's equity:		
Common stock, no par value, no stated value, 100 shares authorized, issued and outstanding	51,000	51,000
Retained earnings	<u>591,471</u>	<u>602,902</u>
Total stockholder's equity	<u>642,471</u>	<u>653,902</u>
Total liabilities and stockholder's equity	<u>\$ 661,986</u>	<u>\$ 765,168</u>

The accompanying notes are an integral part of these financial statements.

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**STATEMENTS OF OPERATIONS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Revenues:		
Program administration fees	\$ 699,406	\$ 660,004
Commission income	-	174,996
Administrative income - purchasing services	7,613	-
Administrative fees - delinquent property tax sales	17,045	21,921
Interest income	24,290	819
Miscellaneous income	5,439	4,065
	<u>753,793</u>	<u>861,805</u>
Total revenues		
Expenses:		
Administrative fees	194,265	187,584
Accounting fees	-	9,000
Advertising	10,558	8,579
Audit fees	11,500	6,500
Board per diem	12,651	6,000
Depreciation	29,633	20,064
Developmental costs	7,785	469
Education and training	4,588	-
Insurance	4,525	-
Legal fees	460	400
Professional services	174,200	102,500
Rent	6,000	6,000
Salaries and benefits	269,679	414,762
Sponsorships	16,435	21,005
Telephone	5,521	5,319
Travel	7,996	17,055
Miscellaneous expense	12,722	15,663
	<u>768,518</u>	<u>820,900</u>
Total expenses		
(Loss) income before income taxes	(14,725)	40,905
Income tax benefit (expense)	3,294	(13,196)
	<u>3,294</u>	<u>(13,196)</u>
Net (loss) income	<u>\$ (11,431)</u>	<u>\$ 27,709</u>

The accompanying notes are an integral part of these financial statements.

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, December 31, 2016	\$ 51,000	\$ 575,193	\$ 626,193
Net income	<u>-</u>	<u>27,709</u>	<u>27,709</u>
Balance, December 31, 2017	51,000	602,902	653,902
Net loss	<u>-</u>	<u>(11,431)</u>	<u>(11,431)</u>
Balance, December 31, 2018	<u>\$ 51,000</u>	<u>\$ 591,471</u>	<u>\$ 642,471</u>

The accompanying notes are an integral part of these financial statements.

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Net (loss) income	\$ (11,431)	\$ 27,709
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
Depreciation	29,633	20,064
Deferred tax asset	(1,979)	-
Changes in operating assets and liabilities:		
Accounts receivable	37,306	21,687
Recoverable income taxes	(2,815)	8,157
Accounts payable and other liabilities	(91,751)	73,957
Net cash (used in) provided by operating activities	(41,037)	151,574
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Net purchases of fixed assets	(36,044)	(21,015)
Net cash used in investing activities	(36,044)	(21,015)
Net change in cash	(77,081)	130,559
Cash and cash equivalents, beginning of year	652,038	521,479
Cash and cash equivalents, end of year	\$ 574,957	\$ 652,038
<b><u>Supplemental disclosure of cash flow information</u></b>		
Cash paid for income taxes	1,500	6,280

The accompanying notes are an integral part of these financial statements.

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) *Organization Background***

Louisiana Municipal Advisory and Technical Services Bureau Corporation (LaMats), a Louisiana corporation, is a wholly-owned subsidiary of Louisiana Municipal Association (LMA). LMA is an association for the municipalities of Louisiana and is incorporated as a non-profit corporation under the laws of the State of Louisiana. LaMats was incorporated in 1998 for the purpose of providing various advisory and technical services with the goal of bringing economical and efficient services that assist membership of the LMA. LaMats' primary activities represent the collection of insurance premium taxes for members of LMA.

**(b) *Depreciation***

Depreciation is computed using the straight-line method over the estimated useful lives of the assets which are placed in service at year end. Lives of the assets are as follows:

Office equipment and furniture	5-7 years
Automobiles	5 years
Computer equipment and software	3 years

**(c) *Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

**(d) *Cash and Cash Equivalents***

For the purpose of the statement of cash flows, cash includes cash in deposit accounts with financial institutions.

**(e) *Revenue***

LaMats receives administrative fees related to the insurance premium taxes collected on behalf of the municipalities participating in the program. LaMats received an administrative fee of 3% of the insurance premium taxes collected in 2018 and 2017. Administrative fees are considered earned and recognized as revenues when collected from the insurance companies.

LaMats recognizes revenues from commissions on purchasing services, online buyer's guides, delinquent property tax sales, and interest income as earned.

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**1. SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(f) *Accounts Receivable***

LaMats considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If accounts become uncollectible, they will be charged to operations when that determination is made. Collections on accounts previously written off are included in income when received.

**(g) *Income Taxes***

Provisions for income taxes are based on taxes payable or refundable for the current year based on taxable income and deferred taxes on temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are included in the financial statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. As a result of the Tax Cuts and Jobs Act ("Act"), deferred tax assets and liabilities have been measured as of December 31, 2018 using the 21% corporate rate set forth in the Act.

LaMats adopted the accounting guidance related to accounting for uncertainty in income taxes, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. Deferred tax assets are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon termination. The term more likely than not means a likelihood of more than 50 percent; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more likely than not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more likely than not recognition threshold considers the facts, circumstances, and information available at the reporting date and is subject to management's judgment. Deferred tax assets are reduced by a valuation allowance, if based on the weight of evidence available, it is more likely than not that some portion or all of the deferred tax asset will not be realized.

LaMats recognized interest and penalties on income taxes as a component of income tax benefit (expense).

**(h) *Reclassifications***

Certain items in the 2017 financial statements have been reclassified to be comparative to the 2018 presentation.

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**2. INCOME TAXES**

The income tax benefit for the year ended December 31, 2018 was \$3,294 compared to income tax expense of \$13,196 for the year ended December 31, 2017. The income tax benefit for the year ended December 31, 2018 is comprised of \$1,315 of current period benefit and \$1,979 of deferred tax benefit.

**3. CASH AND CASH EQUIVALENTS**

There is a balance of \$300,000 included in cash and cash equivalents that is invested in LAMP. LAMP is considered to be an external investment pool administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

The following facts are relevant for LAMP:

LAMP values its investments at fair value based on quoted market values. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares which approximates net asset value (NAV).

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and board of directors. LAMP is not registered with the SEC as an investment company.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP.

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

**4. RELATED PARTY TRANSACTIONS**

LaMats pays LMA administrative fees for various services provided by LMA. For the years ended December 31, 2018 and 2017, included in expenses is \$175,000 related to administrative fees paid to LMA for each of the years. LaMats paid LMA accounting fees for services performed on their behalf for the year ended December 31, 2017 of \$9,000. Included in accounts payable as of December 31, 2018 and 2017 is \$28,511 and \$96,068, respectively, payable to LMA. LaMats pays LMA rent for the space in which it conducts its operations. LaMats paid LMA a total of \$6,000 in each of the years ended December 31, 2018 and 2017.

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**5. MULTI-EMPLOYER PENSION PLAN**

All of LaMats' full-time employees participate in Plan A of the Municipal Employee's Retirement System of Louisiana (the Plan), a multiple-employer cost sharing municipal employee retirement system. The payroll for LaMats' employees covered by the Plan for the years ended December 31, 2018 and 2017 was \$180,269 and \$274,855, respectively.

All employees of LaMats are required to participate in the Plan if they are under the age of 60, are full-time employees and are not participating in another publicly funded retirement system. Employees hired after December 31, 2012 can retire provided he or she meets one of the following criteria: 25 years of service credit at any age actuarially reduced, 30 years of service credit at age 55, 10 years of service credit at age 62, or 7 years of service credit at age 67. Employees entering the retirement system after December 31, 2012 become fully vested after 7 years of service. The Plan also provides survivors' and disability benefits.

Covered employees are required to contribute a percentage of their salary to the Plan (the rate is determined by the Plan and can fluctuate). Of the total contribution required to be contributed for a covered employee, the employees contribute 5.25%, while LaMats contributes the remainder. LaMats' contribution percentage was 29% during for January – June 2018 and 30.25% for July - December 2018, and 27.0% for January – June 2017 and 29.0% for July – December 2017. The contribution requirement for LaMats for the year ended December 31, 2018 and 2017 was \$62,869 and \$91,425, respectively.

**6. STATE REQUIRED DISCLOSURE**

Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:51 (B) to provide required footnote disclosure in the financial statements for vendors who collect and distribute taxes other than ad volorem taxes for other taxing jurisdictions. Listed below are municipal premium tax collections and distributions to other local municipalities during calendar years 2018 and 2017.

	<b>2018</b>		
	<b>TOTAL COLLECTIONS</b>	<b>COLLECTION COST</b>	<b>FINAL DISTRIBUTION</b>
Abbeville	\$ 307,958	\$ 9,239	\$ 298,719
Abita Springs	102,873	3,086	99,787
Addis	97,402	2,922	94,480
Albany	51,630	1,549	50,081
Amite	127,840	3,835	124,005
Anacoco	38,045	1,141	36,904
Angie	29,307	879	28,428
Arcadia	78,758	2,363	76,395
Arnaudville	80,615	2,418	78,197
Ashland	12,608	378	12,230
Athens	14,174	425	13,749

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**6. STATE REQUIRED DISCLOSURE (continued)**

	<b>2018</b>		
	<b>TOTAL COLLECTIONS</b>	<b>COLLECTION COST</b>	<b>FINAL DISTRIBUTION</b>
Baker	228,554	6,857	221,697
Baldwin	49,070	1,472	47,598
Ball	71,969	2,159	69,810
Basile	37,459	1,124	36,335
Baskin	10,601	318	10,283
Bastrop	198,051	5,942	192,109
Benton	146,520	4,396	142,124
Bernice	34,455	1,034	33,421
Berwick	111,750	3,353	108,397
Bienville	9,254	278	8,976
Blanchard	52,408	1,572	50,836
Bogalusa	192,571	5,777	186,794
Bonita	8,990	270	8,720
Boyce	48,357	1,451	46,906
Breaux Bridge	242,965	7,289	235,676
Bunkie	91,484	2,745	88,739
Campti	28,142	844	27,298
Cankton	9,142	274	8,868
Carencro	213,939	6,418	207,521
Castor	22,261	668	21,593
Central	236,951	7,109	229,842
Chatham	25,265	758	24,507
Church Point	131,895	3,957	127,938
Clarks	8,056	242	7,814
Clinton	80,540	2,416	78,124
Collinston	12,106	363	11,743
Converse	20,654	620	20,034
Cottonport	47,261	1,418	45,843
Coushatta	83,384	2,502	80,882
Covington	686,629	20,599	666,030
Creola	3,707	111	3,596
Crowley	269,691	8,091	261,600
Cullen	21,608	648	20,960
DeQuincy	83,339	2,500	80,839
Delcambre	38,088	1,143	36,945
Delhi	78,389	2,352	76,037
Denham Springs	413,860	12,416	401,444
Dixie Inn	13,913	417	13,496
Dodson	14,891	447	14,444
Doyline	33,864	1,016	32,848
Dubach	38,987	1,170	37,817
Dubberly	17,604	528	17,076

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**6. STATE REQUIRED DISCLOSURE (continued)**

	2018		
	<u>TOTAL COLLECTIONS</u>	<u>COLLECTION COST</u>	<u>FINAL DISTRIBUTION</u>
Duson	93,124	2,794	90,330
Elizabeth	15,884	477	15,407
Elton	31,373	941	30,432
Epps	24,101	723	23,378
Eros	18,304	549	17,755
Eunice	221,733	6,652	215,081
Farmerville	110,526	3,316	107,210
Fenton	10,942	328	10,614
Florien	34,231	1,027	33,204
Folsom	74,329	2,230	72,099
Fordoche	21,728	652	21,076
Forest	7,890	237	7,653
Forest Hill	29,408	882	28,526
Franklin	168,182	5,045	163,137
Franklinton	173,005	5,190	167,815
French Settlement	29,887	897	28,990
Georgetown	12,029	361	11,668
Gibbsland	26,209	786	25,423
Gilbert	29,038	871	28,167
Glenmora	43,960	1,319	42,641
Golden Meadow	64,485	1,935	62,550
Gonzales	412,679	12,380	400,299
Grambling	45,583	1,368	44,215
Gramercy	98,179	2,945	95,234
Grand Cane	27,064	812	26,252
Grand Coteau	24,253	728	23,525
Grand Isle	40,839	1,225	39,614
Grayson	29,485	885	28,600
Greenwood	67,655	2,030	65,625
Gretna	435,122	13,054	422,068
Grosse Tete	31,450	944	30,506
Gueydan	46,335	1,390	44,945
Hall Summit	7,315	219	7,096
Haughton	159,040	4,771	154,269
Haynesville	51,816	1,555	50,261
Heflin	22,161	665	21,496
Homer	103,849	3,116	100,733
Hornbeck	19,927	598	19,329
Iberia Parish	364,677	10,940	353,737
Ida	10,309	309	10,000
Independence	74,590	2,238	72,352

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
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**NOTES TO FINANCIAL STATEMENTS**

**6. STATE REQUIRED DISCLOSURE (continued)**

	2018		
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Iota	46,015	1,380	44,635
Iowa	98,000	2,940	95,060
Jean Lafitte	30,976	929	30,047
Jeanerette	115,930	3,478	112,452
Jonesboro	98,063	2,942	95,121
Junction City	5,245	157	5,088
Kaplan	117,634	3,529	114,105
Kentwood	77,462	2,324	75,138
Killian	20,734	622	20,112
Kinder	81,370	2,441	78,929
Krotz Springs	28,143	844	27,299
Lake Arthur	55,158	1,655	53,503
Lake Charles	1,176,475	35,294	1,141,181
Lecompte	35,458	1,064	34,394
Leesville	183,569	5,507	178,062
Lisbon	7,976	239	7,737
Lockport	106,133	3,184	102,949
Logansport	42,701	1,281	41,420
Longstreet	4,000	120	3,880
Loreauville	35,472	1,064	34,408
Lutcher	90,291	2,709	87,582
Madisonville	145,492	4,365	141,127
Mandeville	590,732	17,722	573,010
Mangham	24,286	729	23,557
Mansfield	122,317	3,670	118,647
Mansura	49,833	1,495	48,338
Many	104,905	3,147	101,758
Maringouin	31,574	947	30,627
Marion	32,188	966	31,222
Maurice	81,547	2,446	79,101
Melville	22,475	674	21,801
Mer Rouge	36,632	1,099	35,533
Minden	271,808	8,154	263,654
Montgomery	21,683	651	21,032
Mooringsport	28,189	846	27,343
Morgan City	296,146	8,884	287,262
Morganza	24,888	747	24,141
Morse	27,475	824	26,651

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**6. STATE REQUIRED DISCLOSURE (continued)**

	2018		
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Napoleonville	63,803	1,914	61,889
New Llano	41,033	1,231	39,802
New Orleans	3,028,804	90,387	2,938,417
New Roads	150,760	4,523	146,237
Noble	15,978	479	15,499
Norwood	13,823	415	13,408
Oak Grove	79,078	2,372	76,706
Oak Ridge	16,224	487	15,737
Oakdale	102,140	3,064	99,076
Oberlin	34,962	1,049	33,913
Opelousas	360,846	10,825	350,021
Palmetto	14,822	445	14,377
Parks	13,849	415	13,434
Patterson	108,965	3,269	105,696
Pearl River	114,388	3,432	110,956
Pineville	306,941	9,208	297,733
Pioneer	15,870	476	15,394
Plain Dealing	37,795	1,134	36,661
Plaquemine	262,123	7,864	254,259
Plaucheville	20,677	620	20,057
Pleasant Hill	16,404	492	15,912
Pollock	33,947	1,018	32,929
Ponchatoula	230,305	6,909	223,396
Port Barre	55,957	1,679	54,278
Port Vincent	17,796	534	17,262
Rayne	168,923	5,068	163,855
Rayville	124,186	3,726	120,460
Reeves	20,062	602	19,460
Richmond	7,984	240	7,744
Ridgecrest	8,494	255	8,239
Ringgold	35,724	1,072	34,652
Rodessa	8,006	240	7,766
Rosedale	19,403	582	18,821
Roseland	44,338	1,330	43,008
Rosepine	35,111	1,053	34,058
Ruston	433,231	12,997	420,234
Saline	16,901	507	16,394
Sarepta	40,532	1,216	39,316

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**6. STATE REQUIRED DISCLOSURE (continued)**

	2018		
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Scott	194,802	5,844	188,958
Sibley	40,719	1,222	39,497
Sikes	8,691	261	8,430
Simmesport	31,956	959	30,997
Simpson	15,653	470	15,183
Slaughter	48,497	1,455	47,042
Sorrento	53,111	1,593	51,518
Spearsville	11,098	333	10,765
Springhill	101,059	3,032	98,027
St. Francisville	104,783	3,144	101,639
St. Gabriel	93,601	2,808	90,793
St. Martinville	153,429	4,603	148,826
St. Mary Parish	238,889	7,167	231,722
Sterlington	55,444	1,663	53,781
Stonewall	78,169	2,345	75,824
Sulphur	430,272	12,908	417,364
Sun	10,893	327	10,566
Sunset	85,410	2,562	82,848
Tallulah	119,825	3,595	116,230
Thibodaux	417,869	12,536	405,333
Tickfaw	54,804	1,644	53,160
Ville Platte	179,604	5,388	174,216
Vinton	71,415	2,142	69,273
Vivian	65,511	1,965	63,546
Walker	194,463	5,834	188,629
Washington	48,191	1,446	46,745
Webster Parish	137,662	4,130	133,532
Welsh	92,259	2,768	89,491
Westlake	148,903	4,467	144,436
Westwego	214,935	6,448	208,487
Wilson	11,946	358	11,588
Winnsboro	127,927	3,838	124,089
Wisner	25,047	751	24,296
Woodworth	46,375	1,391	44,984
Youngsville	293,524	8,806	284,718
Zachary	359,094	10,773	348,321
Zwolle	51,631	1,549	50,082
TOTALS	\$ 23,329,151	\$ 699,406	\$ 22,629,745

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**6. STATE REQUIRED DISCLOSURE (continued)**

2017

	<u>TOTAL</u> <u>COLLECTIONS</u>	<u>COLLECTION</u> <u>COST</u>	<u>FINAL</u> <u>DISTRIBUTION</u>
Abbeville	\$ 335,137	\$ 10,054	\$ 325,083
Abita Springs	108,567	3,257	105,310
Addis	95,136	2,854	92,282
Albany	53,761	1,613	52,148
Amite	121,259	3,638	117,621
Anacoco	36,919	1,108	35,811
Angie	27,177	815	26,362
Arcadia	76,020	2,281	73,739
Arnaudville	79,189	2,376	76,813
Ashland	19,568	587	18,981
Athens	16,231	487	15,744
Baker	225,379	6,761	218,618
Baldwin	59,197	1,776	57,421
Ball	66,944	2,008	64,936
Basile	36,341	1,090	35,251
Baskin	12,621	379	12,242
Bastrop	195,808	5,874	189,934
Benton	145,038	4,351	140,687
Bernice	35,173	1,055	34,118
Berwick	108,602	3,258	105,344
Bienville	9,170	275	8,895
Blanchard	48,668	1,460	47,208
Bogalusa	190,977	5,729	185,248
Bonita	9,779	293	9,486
Boyce	46,413	1,392	45,021
Breaux Bridge	233,321	7,000	226,321
Bunkie	88,814	2,664	86,150
Campti	28,330	850	27,480
Cankton	8,671	260	8,411
Carencro	215,267	6,458	208,809
Castor	22,971	689	22,282
Central	211,808	6,354	205,454
Chatham	24,887	747	24,140
Church Point	127,246	3,817	123,429
Clarks	10,598	318	10,280
Clinton	77,301	2,319	74,982
Collinston	12,984	390	12,594
Converse	27,211	816	26,395
Cottonport	47,792	1,434	46,358
Coushatta	87,929	2,638	85,291

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**6. STATE REQUIRED DISCLOSURE (continued)**

	2017		
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Covington	637,871	19,136	618,735
Cullen	21,821	655	21,166
DeQuincy	82,637	2,479	80,158
Delhi	79,641	2,389	77,252
Denham Springs	421,366	12,641	408,725
Dixie Inn	17,407	522	16,885
Dodson	15,424	463	14,961
Doyline	33,727	1,012	32,715
Dubach	37,850	1,136	36,714
Dubberly	16,824	505	16,319
Duson	71,399	2,142	69,257
Elton	30,091	903	29,188
Epps	15,025	451	14,574
Eros	16,588	498	16,090
Eunice	246,925	7,408	239,517
Farmerville	119,515	3,586	115,929
Fenton	10,177	305	9,872
Florien	29,511	885	28,626
Folsom	71,716	2,152	69,564
Fordoche	22,646	679	21,967
Forest	7,926	238	7,688
Franklin	174,044	5,221	168,823
Franklinton	163,842	4,915	158,927
French Settlement	29,440	883	28,557
Georgetown	10,831	325	10,506
Gibbsland	24,064	722	23,342
Gilbert	21,246	637	20,609
Glenmora	40,124	1,204	38,920
Golden Meadow	70,457	2,114	68,343
Gonzales	401,643	12,049	389,594
Grambling	46,684	1,401	45,283
Gramercy	83,434	2,503	80,931
Grand Cane	28,470	854	27,616
Grand Coteau	23,261	698	22,563
Grand Isle	45,272	1,358	43,914
Grayson	29,929	898	29,031
Gretna	449,487	13,485	436,002
Grosse Tete	33,168	995	32,173
Gueydan	43,443	1,303	42,140
Hall Summit	6,307	189	6,118

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**6. STATE REQUIRED DISCLOSURE (continued)**

	2017		
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Haughton	149,208	4,476	144,732
Haynesville	50,928	1,528	49,400
Heflin	21,054	632	20,422
Homer	94,612	2,838	91,774
Hornbeck	20,618	619	19,999
Iberia Parish	347,625	10,429	337,196
Ida	9,555	287	9,268
Iota	45,403	1,362	44,041
Iowa	91,142	2,734	88,408
Jean Lafitte	28,135	844	27,291
Jeanerette	118,275	3,548	114,727
Jonesboro	99,396	2,982	96,414
Junction City	8,333	250	8,083
Kaplan	114,283	3,429	110,854
Kentwood	77,445	2,323	75,122
Killian	18,570	557	18,013
Kinder	80,171	2,405	77,766
Krotz Springs	27,269	818	26,451
Lake Arthur	54,157	1,625	52,532
Lake Charles	1,195,606	35,868	1,159,738
Leesville	191,332	5,740	185,592
Lisbon	8,729	262	8,467
Lockport	105,443	3,163	102,280
Logansport	37,875	1,136	36,739
Longstreet	2,961	89	2,872
Loreauville	36,520	1,096	35,424
Lutcher	89,163	2,675	86,488
Mandeville	630,629	18,919	611,710
Mangham	23,945	718	23,227
Mansfield	122,400	3,672	118,728
Mansura	50,266	1,508	48,758
Many	106,318	3,190	103,128
Maringouin	32,341	970	31,371
Marion	30,758	923	29,835
Maurice	75,495	2,265	73,230
Melville	21,072	632	20,440
Mer Rouge	43,511	1,305	42,206
Minden	272,834	8,185	264,649
Montgomery	22,013	660	21,353
Mooringsport	27,568	827	26,741

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**6. STATE REQUIRED DISCLOSURE (continued)**

	2017		
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Morgan City	324,564	9,737	314,827
Morganza	33,434	1,003	32,431
Morse	28,026	841	27,185
Napoleonville	69,278	2,078	67,200
New Llano	48,192	1,446	46,746
New Orleans	2,985,428	89,453	2,895,975
New Roads	131,900	3,957	127,943
Noble	14,454	434	14,020
Norwood	13,906	417	13,489
Oak Grove	76,070	2,282	73,788
Oak Ridge	15,716	472	15,244
Oakdale	103,402	3,102	100,300
Oberlin	32,762	983	31,779
Opelousas	350,406	10,512	339,894
Palmetto	14,327	430	13,897
Parks	15,019	451	14,568
Patterson	115,417	3,463	111,954
Pearl River	118,828	3,565	115,263
Pineville	313,861	9,416	304,445
Pioneer	17,780	533	17,247
Plain Dealing	38,449	1,154	37,295
Plaquemine	287,936	8,638	279,298
Plaucheville	19,251	578	18,673
Pleasant Hill	14,940	448	14,492
Pollock	31,291	939	30,352
Ponchatoula	227,683	6,831	220,852
Port Barre	55,450	1,664	53,786
Port Vincent	17,801	534	17,267
Rayne	166,658	5,000	161,658
Rayville	128,076	3,842	124,234
Reeves	19,382	582	18,800
Richmond	7,464	224	7,240
Ridgecrest	8,727	262	8,465
Ringgold	38,969	1,169	37,800
Rodessa	7,349	221	7,128
Rosedale	20,876	626	20,250
Roseland	39,423	1,183	38,240
Rosepine	35,484	1,065	34,419
Ruston	408,903	12,267	396,636
Saline	16,785	504	16,281

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**6. STATE REQUIRED DISCLOSURE (continued)**

	2017		
	TOTAL COLLECTIONS	COLLECTION COST	FINAL DISTRIBUTION
Sarepta	35,330	1,060	34,270
Scott	190,136	5,704	184,432
Sibley	38,544	1,156	37,388
Sikes	5,243	157	5,086
Simmesport	32,984	990	31,994
Simpson	18,339	550	17,789
Slaughter	46,462	1,394	45,068
Sorrento	55,991	1,680	54,311
Spearsville	10,059	302	9,757
Springhill	101,112	3,033	98,079
St. Francisville	98,622	2,959	95,663
St. Gabriel	96,605	2,898	93,707
St. Martinville	153,643	4,609	149,034
St. Mary Parish	244,935	7,348	237,587
Sterlington	53,384	1,602	51,782
Stonewall	73,350	2,201	71,149
Sulphur	407,144	12,214	394,930
Sun	9,030	271	8,759
Sunset	88,772	2,663	86,109
Tallulah	113,564	3,407	110,157
Tickfaw	55,168	1,655	53,513
Ville Platte	170,319	5,110	165,209
Vinton	68,732	2,062	66,670
Walker	185,377	5,561	179,816
Washington	46,678	1,400	45,278
Webster Parish	139,465	4,184	135,281
Welsh	89,898	2,697	87,201
Westlake	152,090	4,563	147,527
Westwego	214,178	6,425	207,753
Wilson	11,782	354	11,428
Winnsboro	124,019	3,721	120,298
Wisner	29,461	884	28,577
Woodworth	46,345	1,390	44,955
Youngsville	297,515	8,926	288,589
Zachary	334,169	10,025	324,144
Zwolle	53,002	1,590	51,412
TOTALS	\$ 22,003,509	\$ 660,004	\$ 21,343,505

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES**  
**BUREAU CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**7. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 24, 2019, and determined that there were no events that require disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

OTHER SUPPLEMENTAL INFORMATION

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES  
BUREAU CORPORATION  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO  
THE EXECUTIVE DIRECTOR  
YEAR ENDED DECEMBER 31, 2018

Name: Clifford A. Palmer

Purpose	Amount
Salary, including incentive and bonus	\$ 121,351
Benefits-insurance	10,662
Benefits-retirement	35,937
Deferred compensation	-
Benefits-other	-
Car allowance	-
Vehicle provided by corporation	-
Cell phone	842
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	3,641
Registration fees	-
Conference travel	2,326
Housing	-
Unvouchered expenses	-
Special meals	-
Other (including payments made by other parties on behalf of the agency head)	-

**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL  
SERVICES BUREAU CORPORATION**

**REPORT TO MANAGEMENT**

**DECEMBER 31, 2018**



Postlethwaite & Netterville

A Professional Accounting Corporation

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LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL  
SERVICES BUREAU CORPORATION

REPORT TO MANAGEMENT

DECEMBER 31, 2018



Postlethwaite & Netterville

8550 United Plaza Blvd., Ste. 1001 - Baton Rouge, LA 70809

225-922-4600 Phone - 225-922-4611 Fax -

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Page 1 of 3

June 24, 2019

Members of the Board and Management  
Louisiana Municipal Advisory and Technical Services Bureau Corporation  
Baton Rouge, Louisiana

In planning and performing our audit of the financial statements of Louisiana Municipal Advisory and Technical Services Bureau Corporation (LaMATS or Corporation), as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the Corporation's internal control.

Our consideration of internal control was for the limited purposes described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant deficiencies:

#### **2018-001 Internal Control over Bank Reconciliation Preparation**

Criteria: Internal control over financial reporting should include policies and procedures to ensure controls over cash accounts provide for these records to be reconciled on a regular basis to ensure accuracy. Reconciliations should be prepared for each cash account and all differences between book and bank balances should be investigated on a timely basis by appropriate accounting personnel so that any errors or adjustments can quickly be identified and corrected.

- Condition: In performing audit procedures over bank reconciliations, we noted that the bank reconciliations did not include a reconciliation using the bank balance and the balance per the general ledger, instead the balances were reconciled to a cash book balance from January 2018 through December 2018.
- Cause: The accounting software was not being properly utilized to perform bank reconciliations. In addition, there is no procedure in place to review the bank reconciliation after it is completed.
- Effect: LaMATS has a significant deficiency in their internal control over bank reconciliation preparation. Failure to prepare bank reconciliations could affect the accuracy of internal financial reports, which could impact management's ability to manage and monitor the financial position of the Corporation.
- Recommendation: All bank accounts should be reconciled monthly to the general ledger by appropriate accounting personnel and all reconciling items be promptly investigated and adjusted with adequate explanations. Controls can further be strengthened by having the reconciliations reviewed and approved by management or another individual other than the individual responsible for performing the reconciliation.

### **Management's Response and Corrective Action:**

All 2018 bank reconciliations were completed subsequent to year end. Management is working on a plan to ensure that bank reconciliations are performed in a timely manner by a properly trained individual. This individual will have the ability to adequately tie general ledger balances to bank balances in the form of a formal bank reconciliation. Management will also work to ensure that proper review by someone other than the preparer is performed.

### **2018-002 Internal Control over Financial Reporting**

- Criteria: The definition of internal control over financial reporting includes ensuring that policies and procedures exist that pertain to an entity's ability to initiate, record, process, and report financial data consistent with the assertion embodied in the annual financial statements, which for LaMATS, is that financial statements are prepared in accordance with generally accepted accounting principles (GAAP).
- Condition: As part of the audit process, we noted that the detailed schedule to support accounts receivable and payables were not reconciled at year end.
- Cause: During the audit, we noted that several accounts which required adjustment in order for them to properly reflect end of year balances. These accounts included cash, property and equipment, accounts receivable, and accrued liabilities.
- Effect: Due to the inaccuracy of the information provided to the Board, management decisions could be made based on information that does not truly reflect the financial position of the Corporation.



Recommendation: As part of the financial close process, cash, property and equipment, accounts receivable, and accrued liabilities should be reconciled from the support schedules to the general ledger. These reconciliations should be reviewed monthly by a member of management.

Management's Response and Corrective Action:

Management was able to provide the needed adjustments and successfully reconcile cash, accounts payable, accounts receivable, and accrued liabilities subsequent to year end. Management also provided the needed information to properly record adjustments for property and equipment subsequent to year end. Management is working on a plan to ensure that all cash, accounts payable, accounts receivable, accrued expense, and property and equipment accounts are properly accounted for and reconciled throughout the year. Management plans to achieve this by utilizing the services of a licensed accountant or experienced bookkeeper.

We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience to perform any additional study of these matters, or to assist you in implementing the recommendations. We would also like to thank the LaMATS staff for their patience and cooperation with us during the performance of the audit.

Sincerely,

Postlethwaite & Netterville

# LaMATS

Louisiana Municipal Advisory  
& Technical Services Bureau

June 28, 2019

Louisiana Municipal Advisory and Technical Services Bureau (LaMATS) respectfully submits the following corrective action plan for the year ended December 31, 2018.

## Response to Findings:

### 2018-001 Internal Control over Bank Reconciliation Preparation

All 2018 bank reconciliations were completed subsequent to year end. Management is working on a plan to ensure that bank reconciliations are performed in a timely manner by a properly trained individual. This individual will have the ability to adequately tie general ledger balances to bank balances in the form of a formal bank reconciliation. Management will also work to ensure that proper review by someone other than the preparer is performed.

### 2018-002 Internal Control over Financial Reporting

Management was able to provide the needed adjustments and successfully reconcile cash, accounts payable, accounts receivable, and accrued liabilities subsequent to year end. Management also provided the needed information to properly record adjustments for property and equipment subsequent to year end. Management is working on a plan to ensure that all cash, accounts payable, accounts receivable, accrued expense, and property and equipment accounts, are properly accounted for and reconciled throughout the year. Management plans to achieve this by utilizing the services of a licensed accountant or experienced bookkeeper.

Sincerely,



Kerry Landry  
LMA Chief Financial Officer

---

#### Board of Directors 2018-2019

Mayor Clarence Fields, President   Mayor Jennifer Vidrine, Vice President   Mayor Kathy Richard, Sec/Treas  
Mayor Glenn Bresseaux   Mayor Carroll Breaux   Mayor Vern Breland   Mayor David Butler   Mayor David Camardelle  
Mayor Billy D'Aquilla   Mayor Harry Lewis   Councilman Nathan Martin   Councilman Vernon Martin   Gay Nell Pepper, MMC

*John Gallagher, LMA Executive Director*

*Cliff Palmer, LaMATS Executive Director*

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**LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL  
SERVICES BUREAU CORPORATION**

**REPORT ON STATEWIDE  
AGREED-UPON PROCEDURES on COMPLIANCE and CONTROL  
AREAS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

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Postlethwaite & Netterville

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Postlethwaite & Netterville

8550 United Plaza Blvd., Ste. 1001 - Baton Rouge, LA 70809

225-922-4600 Phone - 225-922-4611 Fax - 225-922-4611

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INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of  
Louisiana Municipal Advisory and the Technical Services Bureau Corporation and the  
Louisiana Legislative Auditor:

We have performed the procedures enumerated in Schedule A, which were agreed to by the Louisiana Municipal Advisory and the Technical Services Bureau (the Entity) and the Louisiana Legislative Auditor (LLA) (specified users) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached Schedule A either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the associated results are summarized in the attached Schedule A, which is an integral part of this report.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana

June 24, 2019

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES BUREAU  
CORPORATION  
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS  
DECEMBER 31, 2018

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*”. If not, then a description of the exception ensues. Additionally, certain procedures listed below may not have been performed in accordance with guidance provided by the Louisiana Legislative Auditor, the specified user of the report. For those procedures, “procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity” is indicated.

***Written Policies and Procedures***

---

1. Obtain and inspect the entity’s written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

*The Entity does not have a written policy for Budgeting.*

- b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

*No exceptions noted for (3). The Entity does not have a written policy for (1), (2), (4) and (5).*

- c) ***Disbursements***, including processing, reviewing, and approving

*The Entity does not have a written policy for Disbursements.*

- d) ***Receipts***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

*The Entity does not have a written policy for Receipts.*

- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*The Entity does not have a written policy for Payroll/Personnel.*

- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

*The Entity does not have a written policy for Contracting.*

LOUISIANA MUNICIPAL ADVISORY AND TECHNICAL SERVICES BUREAU  
CORPORATION  
AGREED-UPON PROCEDURES AND ASSOCIATED RESULTS  
DECEMBER 31, 2018

Schedule A

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

*No exceptions noted for (2) and (3). The Entity does not have a written policy for (1), (4) and (5).*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

*No exceptions noted.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

*No exceptions noted for (4). The Entity does not have a written policy for (1), (2) and (3).*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*Not applicable.*

***Board or Finance Committee***

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year.*

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year.*

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- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year.*

***Bank Reconciliations***

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3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

*A listing of bank accounts was provided and included 1 bank account, which management identified as the entity's main operating account. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we selected to test the bank reconciliations for the month ending March 31, 2018. We discovered that no bank reconciliations for the twelve months ending December 31, 2018 were prepared.*

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*No bank reconciliations prepared for the twelve months ending December 31, 2018.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

*No bank reconciliations prepared for the twelve months ending December 31, 2018.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*No bank reconciliations prepared for the twelve months ending December 31, 2018.*

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***Collections***

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*A listing of deposit sites was provided which included one deposit site. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we performed the procedures below on the one deposit site.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

*A listing of collection locations for each deposit site selected in procedure #4 was provided and included a total of one collection location. No exceptions were noted as a result of performing this procedure.*

*From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.*

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

*Not applicable.*

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

*No exception noted.*

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

*No exception noted.*

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- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

*There is no formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the collection locations selected.*

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

*The Entity stated that all employees who have access to cash are bonded and/or covered under the Entity's insurance policy.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

*We randomly selected two deposit dates for the bank account selected in procedure #3. We obtained supporting documentation for each of the 2 deposits and performed the procedures below.*

- a) Observe that receipts are sequentially pre-numbered.

*The Entity does not maintain sequentially pre-numbered receipts.*

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*The Entity does not maintain sequentially pre-numbered receipts, system reports, or other related collection documentation. As such, we were unable to perform the procedure.*

- c) Trace the deposit slip total to the actual deposit per the bank statement.

*No exceptions noted.*

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

*No exceptions noted.*

- e) Trace the actual deposit per the bank statement to the general ledger.

*No exceptions noted.*

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***Non-payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*The listing of locations that process payments for the fiscal period was provided, which only included one location. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we performed the procedures below.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

*The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.*

*Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.*

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*Not applicable.*

- b) At least two employees are involved in processing and approving payments to vendors.

*No exceptions noted.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*The person processing payments was not prohibited from adding / modifying vendor files.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*The employee responsible for processing payments is also responsible for mailing the payments.*

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10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

*A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.*

*From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.*

- a) Observe that the disbursement matched the related original invoice/billing statement.

*No exceptions noted.*

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*For the 5 disbursements selected for our procedures, a single employee processes payments and is in charge of mailing signed checks.*

***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*A listing of cards was provided. No exceptions were noted as a result of performing this procedure.*

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

*From the listing provided, we selected the 2 credit cards used in the fiscal period. We randomly selected one monthly statement for each of the 2 cards selected and performed the procedures noted below.*

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

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*For 1 of the 2 credit cards tested, the monthly statement provided did not contain evidence of review by someone other than the card holder. Supporting documentation was provided for each individual transaction listed on the monthly statement.*

- b) Observe that finance charges and late fees were not assessed on the selected statements.

*No exceptions noted.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

*We randomly selected 10 transactions for the 2 cards selected in procedure #12 and performed the specified procedures. No exceptions noted.*

**Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

*Per review of the general ledger detail, there were no travel expense reimbursements during 2018. All travel expenses are paid for on the company credit card. Therefore, testing below not applicable.*

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*Not applicable.*

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

*Not applicable.*

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*Not applicable.*

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- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Not applicable.*

***Contracts***

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year.*

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year.*

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year.*

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year.*

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year.*

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***Payroll and Personnel***

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16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year.*

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year.*

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.).

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year.*

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year.*

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year.*

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.:

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year.*

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year.*

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***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*For 1 of the 2 employees/officials selected for our procedures, documentation that the required ethics training was completed could not be obtained.*

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*No exceptions noted.*

***Debt Service***

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

*Not applicable.*

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

*Not applicable.*

***Other***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*No exceptions noted.*

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year.*

# LaMATS

Louisiana Municipal Advisory  
& Technical Services Bureau

June 27, 2019

**Response to Exceptions in Statewide AUP Results:**

We have done a preliminary review of the noted exceptions in the AUP Report. Our review has revealed a strong need for corrective action in the areas of *Written Policies and Procedures* and *Bank Reconciliations*. As such that is where we will focus our efforts, with the most immediate need being to remediate the bank reconciliation process. Management is looking at obtaining a licensed accountant or an experienced bookkeeper to help with these and other items.

Kerry Landry



Chief Financial Officer

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**Board of Directors 2018-2019**

Mayor Clarence Fields, President   Mayor Jennifer Vidrine, Vice President   Mayor Kathy Richard, Sec/Treas  
Mayor Glenn Brasseaux   Mayor Carroll Breaux   Mayor Vern Breland   Mayor David Butler   Mayor David Camardelle  
Mayor Billy D'Aquilla   Mayor Harry Lewis   Councilman Nathan Martin   Councilman Vernon Martin   Gay Nell Pepper, MMC

*John Gallagher, LMA Executive Director*

*Cliff Palmer, LaMATS Executive Director*

700 North 10<sup>th</sup> St., Baton Rouge, LA 70821   Toll Free: 800 234-8274   Phone 225 344-5001   Fax 225 344-3057